

Fiscal Services Division

Legislative Services Agency

Fiscal Note

HF 2620 - School Age (LSB 5018 HV.1)

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Fiscal Note Version – New (Amendment H-8300 to HF 2620)

Requested by Representative Mary Mascher

Description

Amendment H-8300 to HF 2620 would permit children who demonstrate sufficient ability to enter kindergarten before reaching the currently required age.

Background

The current trend is for parents to have younger children wait to enter kindergarten. Approximately one-tenth of all preschoolers, often middle-class children with summer birthdays, are academically “redshirted.”

Preliminary information shows that for the 2006-2007 school year, 37 kindergarteners in the 2005-2006 school year had advanced to second grade; 27 first graders advanced to third grade; 27 second graders advanced to fourth grade; 14 third graders advanced to fifth grade; and 21 fourth graders advanced to sixth grade.

Over the past decade, between 14.2% and 20.2% of the fourth graders tested by the Iowa Tests of Basic Skills (ITBS) scored at the high achievement level in reading comprehension; between 15.4% and 21.6% scored at the high achievement level in mathematics.

Assumptions

1. Given current redshirting trend, it is assumed that only parents with children born within four months past the September 15 cutoff, (i.e., by mid-January) would opt to have their children start kindergarten early; there are an estimated 11,000 children in this age group. Since the ITBS results suggest that one fifth of the children function at high achievement levels, an estimated 2,200 of these children could qualify to begin kindergarten early. This represents the maximum estimated number of participants.
2. A similar number of parents will choose to skip kindergarten and have their children begin school with first grade as have their children skip one of the early grades. It is assumed that at least 30 children will skip kindergarten annually. This represents the minimum estimated number of participants.
3. The Department of Education estimates the assessment cost to be \$250 per student. The Bill specifies that the evaluation tool will be recommended or approved by the Department of Education. Since no provision is made for payment of the assessment, it is assumed the school district may absorb this cost or require parents requesting the assessment to pay the costs.
4. The FY 2007 State cost per pupil is \$5,128. The FY 2008 cost is \$5,333, assuming a 4.0% allowable growth rate.
5. The costs for additional students enrolled in FY 2007 could be funded with on-time funding paid by property tax or absorbed by the school districts' budgets. In FY 2008, the funding will shift into the Foundation Formula with State Foundation Aid paying 87.5% of the cost and property tax 12.5%. The property tax percentage will be somewhat higher for those districts with a district cost per pupil that is greater than the State cost per pupil. This amount is not included in the cost example below.

6. There will be a one-time increase in enrollment. Those who enter kindergarten early will not be present in the next year's incoming student cohort. They will be replaced by another set of incoming younger students from each successive cohort.
7. There will be a corresponding decline in enrollment and the associated funding in FY 2020 as these students, except for those retained, graduate a year earlier than under current law.
8. The Department of Education would need to hire staff to select the assessment tool and provide technical assistance for the assessment process or incur equivalent opportunity costs from reassigning staff. The Department estimates this will require 0.25 FTE position in the first year and 0.10 FTE position in future years. Startup support costs are estimated to be \$8,800.

Fiscal Impact

The following table shows the minimum and maximum costs, plus intermediate participation levels, to State Foundation Aid and property taxes for Amendment H-8300 to HF 2620. The cost increase will occur in the first year and shift from property tax to a mix of State Aid and property tax in subsequent years. There will be a corresponding decrease in FY 2020 when these early-entry students graduate. Given the redshirting trend, the actual costs are likely to be closer to the minimum amount.

<u>Eligibles Participating</u>	<u>FY 2007 Property Tax</u>	<u>FY 2008</u>	
		<u>State Aid</u>	<u>Property Tax</u>
2,200	\$ 11,281,600	\$ 10,266,025	\$ 1,466,575
Maximum			
1,000	5,128,000	\$ 4,666,375	\$ 666,625
Participants			
500	2,564,000	\$ 2,333,188	\$ 333,313
Participants			
100	512,800	\$ 466,638	\$ 66,663
Participants			
30 Minimum	153,840	\$ 139,991	\$ 19,999

The assessment costs will be paid by either parents or the school districts. It is not known how many parents will request an assessment, so the following table presents the costs for minimum and maximum from the previous table, along with intermediate numbers being evaluated. It is likely that more children will be assessed than will be evaluated as ready for first grade.

<u>Eligibles Evaluated</u>	<u>Assessment Costs</u>
2,200	\$ 550,000
1,000	250,000
500	125,000
100	25,000
30	7,500

The Department of Education could have staffing costs of \$29,000 in FY 2007 and \$8,000 in FY 2008 and subsequent years.

Sources

Department of Education

http://www.isteve.com/2002_Redshirting-A_Kindergarten_Arms_Race.htm

/s/ Holly M. Lyons

March 20, 2006

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
